

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

CAESARS ENTERTAINMENT  
OPERATING COMPANY, INC., *et al.*,<sup>1</sup>

Debtors.

Case No. 15-01145 (ABG)

Chapter 11

(Jointly Administered)

**VERIFIED STATEMENT OF THE OFFICIAL COMMITTEE  
OF SECOND PRIORITY NOTEHOLDERS**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Official Committee of Second Priority Noteholders (the “Noteholder Committee”) appointed in the chapter 11 cases of Caesars Entertainment Operating Company, Inc., et al. (collectively, the “Debtors”) hereby submits this verified statement (the “Verified Statement”) and in support thereof states:

1. On February 5, 2015 (the “Formation Date”), the United States Trustee for the Northern District of Illinois appointed the Noteholder Committee pursuant to section 1102(a) of title 11 of the United States Code. The Noteholder Committee consists of the following seven members: (i) Wilmington Savings Fund Society, FSB, as Trustee, (ii) BOKF, N.A., as Trustee, (iii) Delaware Trust Company, as Trustee, (iv) Tennenbaum Opportunities Partners V, LP, (v) Centerbridge Credit Partners Master LP, (vi) Palomino Fund, Ltd., and (vii) Oaktree FF Investment Fund LP – Class B.

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<sup>1</sup> Due to the large number of Debtors in these jointly-administered cases, a complete list of the Debtors is not provided herein, but is available at <https://cases.primeclerk.com/CEOC>, the website of the Debtors’ claims and noticing agent.

2. The Noteholder Committee members hold claims against, and/or act as agent or indenture trustee for holders of claims against, the Debtors' estates. In accordance with Bankruptcy Rule 2019, attached hereto as Exhibit A is a list of the names and addresses of, and the nature and amount of all disclosable economic interests held by, each Noteholder Committee member in relation to the Debtors as of the Formation Date. The claims and amounts set forth on Exhibit A have been provided by the applicable Noteholder Committee members and by filing this Verified Statement, the Noteholder Committee makes no representation regarding the amount, allowance or priority of such claims and reserves all rights with respect thereto.

3. Nothing contained in this Verified Statement or Exhibit A hereto should be construed as a limitation upon, or waiver of any Noteholder Committee member's rights to assert, file and/or amend its claim(s) in accordance with applicable law and any orders entered in these cases establishing procedures for filing proofs of claim.

4. Pursuant to Bankruptcy Rule 2019(c)(4), a copy of the *Notice of Appointment of Official Committee of Second Priority Noteholders* dated February 5, 2015 is attached hereto as Exhibit B.

5. The information contained herein is intended only to comply with Bankruptcy Rule 2019 and is not intended for any other purpose.

6. The Noteholder Committee reserves the right to amend or supplement this Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019.

Dated: February 25 2015

Respectfully submitted,

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Timothy W. Hoffmann (No. 6289756)  
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and

/s/ Joshua M. Mester

Bruce Bennett  
James O. Johnston  
Sidney P. Levinson  
Joshua Mester  
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**EXHIBIT A**

<b>Committee Member Name and Address</b>	<b>Nature and Amount of Disclosable Economic Interests</b>
BOKF, N.A. 1600 Broadway, 3rd Floor Denver, Colorado 80202	BOKF, N.A. serves as successor indenture trustee under the Indenture dated as of April 16, 2010 (as amended and supplemented from time to time, the “ <u>2010 Indenture</u> ”), pursuant to which CEOC issued 12.75% Second-Priority Senior Secured Notes due 2018. As of the Formation Date, the following amounts were outstanding under the 2010 Indenture:  <u>12.75% Second-Priority Senior Secured Notes due 2018</u>  \$750,000,000.00 in principal, plus accrued and unpaid interest.
Centerbridge Credit Partners Master LP 375 Park Avenue, 12th Floor New York, New York 10152	<u>10.00% Second-Priority Senior Secured Notes due 2018</u>  \$78,067,094.94 in principal, plus accrued and unpaid interest.  <u>12.75% Second-Priority Senior Secured Notes due 2018</u>  \$30,002,000.00 in principal, plus accrued and unpaid interest.  <u>10.75% Senior Notes due 2016</u>  \$32,400,000.00 in principal, plus accrued and unpaid interest.

Committee Member Name and Address	Nature and Amount of Disclosable Economic Interests
<p>Delaware Trust Company 2711 Centerville Road Wilmington, Delaware 19808</p>	<p>Delaware Trust Company serves as successor indenture trustee under the Indenture dated as of December 24, 2008 (as amended and supplemented from time to time, the “<u>2008 Indenture</u>”), pursuant to which CEOC issued 10.00% Second-Priority Senior Secured Notes due 2015 and 10.00% Second-Priority Senior Secured Notes due 2018. As of the Formation Date, the following amounts were outstanding under the 2008 Indenture:</p> <p><u>10.00% Second-Priority Senior Secured Notes due 2018</u></p> <p>\$816,137,191.70 in principal, plus accrued and unpaid interest.</p> <p><u>10.00% Second-Priority Senior Secured Notes due 2015</u></p> <p>\$3,740,136.09 in principal, plus accrued and unpaid interest.</p>
<p>Oaktree FF Investment Fund LP – Class B 333 S. Grand Ave., 28th Floor Los Angeles, California 90071</p>	<p><u>10.00% Second-Priority Senior Secured Notes due 2018</u></p> <p>\$15,452,000.00 in principal, plus accrued and unpaid interest.</p>

Committee Member Name and Address	Nature and Amount of Disclosable Economic Interests
<p>Palomino Fund Ltd. c/o Appaloosa Management L.P.<sup>2</sup> 51 John F. Kennedy Parkway Short Hills, New Jersey 07078</p>	<p><u>10.00% Second-Priority Senior Secured Notes due 2018</u> \$321,984,000.00 in principal, plus accrued and unpaid interest.</p> <p><u>12.75% Second-Priority Senior Secured Notes due 2018</u> \$12,000.00 in principal, plus accrued and unpaid interest.</p> <p><u>10.75% Senior Notes due 2016</u> \$5,078,000.00 in principal, plus accrued and unpaid interest.</p> <p><u>Other</u> Recovery Lock \$1,832,000.00</p>
<p>Tennenbaum Opportunities Partners V, LP 2951 28th Street, Suite 1000 Santa Monica, California 90405</p>	<p><u>10.00% Second-Priority Senior Secured Notes</u> \$80,839,000.00 in principal, plus accrued and unpaid interest.</p>

<sup>2</sup> Appaloosa Management L.P. is the general partner of Appaloosa Investment Limited Partnership I and Thoroughbred Fund L.P., and the investment advisor to Palomino Fund Ltd. and Thoroughbred Master Ltd. (collectively, the “Appaloosa Funds”). As of the Formation Date, the Appaloosa Funds collectively held \$853,690,000 in principal amount of 10.00% Second-Priority Senior Secured Notes due 2018, \$28,425,000 in principal amount of 12.75% Second-Priority Senior Secured Notes due 2018, \$13,000,000 in principal amount of 10.75% Senior Notes due 2016, and had sold protection, in the aggregate amount of \$5,000,000, to a counter party through a “Recovery Lock” where the reference obligation was CEOC’s 5.75% unsecured bonds due 2017 (CUSIP 413627AWO). Pursuant to its terms, the Recovery Lock was settled for a cash payment on February 19, 2015.

<b>Committee Member Name and Address</b>	<b>Nature and Amount of Disclosable Economic Interests</b>
Wilmington Savings Fund Society, FSB 500 Delaware Avenue Wilmington, Delaware 19801	Wilmington Savings Fund Society, FSB serves as successor indenture trustee under the Indenture dated as of April 15, 2009 (as amended and supplemented from time to time, the “ <u>2009 Indenture</u> ”), pursuant to which CEOC issued 10.00% Second-Priority Senior Secured Notes due 2018. As of the Formation Date, the following amounts were outstanding under the 2009 Indenture:  <u>10.00% Second-Priority Senior Secured Notes due 2018</u>  \$3,680,498,000.00 in principal, plus accrued and unpaid interest.



**EXHIBIT B**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In Re:	)	Chapter 11
	)	
	)	
<b>CAESARS ENTERTAINMENT OPERATING</b>	)	
<b>COMPANY, INC., <i>et al.</i>,<sup>1</sup></b>	)	<b>Case No. 15-01145 (ABG)</b>
	)	(Jointly Administered)
	)	
	)	
Debtors.	)	Hon. A. Benjamin Goldgar
	)	

**NOTICE OF FILING**

To: See Attached Service List

PLEASE TAKE NOTICE that on February 5, 2015, the United States Trustee by his attorney, Denise A. DeLaurent, caused a copy of the **NOTICE OF APPOINTMENT OF OFFICIAL COMMITTEE OF SECOND PRIORITY NOTEHOLDERS** to be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, a copy of which is attached hereto and herewith served upon you.

By: /s/ Denise A. DeLaurent  
Denise DeLaurent, Attorney  
Office of the U.S. Trustee  
219 S. Dearborn St., Room 873  
Chicago, IL 60604  
(312) 886-3326

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<sup>1</sup> The last four digits of Caesars Entertainment Operating Company, Inc.'s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

**CERTIFICATE OF SERVICE**

I, Denise A. DeLaurent, Attorney, state that pursuant to Local Rule 9013-1(D) the above **NOTICE OF APPOINTMENT OF OFFICIAL COMMITTEE OF SECOND PRIORITY NOTEHOLDERS** was filed on February 5, 2015, and served on all parties identified as Registrants on the service list below through the Court's Electronic Notice for Registrants and, as to all other parties on the service list below, I caused a copy to be sent via Electronic Mail.

/S/ Denise A. DeLaurent

**SERVICE LIST**

**Registrants Served Through the Court's Electronic Notice for Registrants:**

Ryan Dahl, ryan.dahl@kirkland.com  
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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In Re:	)	Chapter 11
	)	
	)	
<b>CAESARS ENTERTAINMENT OPERATING</b>	)	
<b>COMPANY, INC., <i>et al.</i>,<sup>1</sup></b>	)	<b>Case No. 15-01145 (ABG)</b>
	)	(Jointly Administered)
	)	
	)	
Debtors.	)	Hon. A. Benjamin Goldgar
	)	

**NOTICE OF APPOINTMENT OF OFFICIAL COMMITTEE  
OF SECOND PRIORITY NOTEHOLDERS**

The following persons, selected from second priority noteholders who are willing to serve, are hereby appointed as the Official Committee of Second Priority Noteholders in these cases:

	NOTEHOLDER	REPRESENTATIVE
1.	Wilmington Savings Fund Society, FSB 500 Delaware Avenue Wilmington, DE 19801	Patrick J. Healy
2.	BOKF, N.A. One Williams Center, 10SW Tulsa, OK 74103	George F. Kubin
3.	Delaware Trust Company 2711 Centerville Road Wilmington, DE 19808	Sandra E. Horwitz
4.	Tennenbaum Opportunities Partner V, LP 2951 28th St., Suite 1000 Santa Monica, CA 90405	David Hollander

<sup>1</sup> The last four digits of Caesars Entertainment Operating Company, Inc.'s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

NOTEHOLDER

REPRESENTATIVE

5. Centerbridge Credit Partners Master LP  
375 Park Avenue, 12th floor  
New York, NY 10152
6. Palomino Fund Ltd  
51 John F. Kennedy Pkwy.  
Short Hills, NJ 07078
7. Oaktree FF Investment Fund LP  
333 S. Grand Ave, 28th Floor  
Los Angeles, CA 90071

Vivek Melwani

James Bolin

Kenneth Liang

RESPECTFULLY SUBMITTED,  
PATRICK S. LAYNG  
UNITED STATES TRUSTEE

DATE: February 5, 2015

By: /s/ Denise DeLaurent  
Denise DeLaurent  
Attorney for the U.S. Trustee